

## **ARTICLE 22**

### **COMPENSATION AND BENEFITS**

#### **Section A. Across the Board Increase.**

##### **1. Fiscal Year 2014-2015:**

- a. On October 1, 2014 each hourly rate shall be increased by two percent (2%).
- b. At the end of the first full pay period in October, 2014, each full-time employee who is on the payroll as of October 2, 2014, and who has accumulated no less than two thousand eighty (2080) hours of current continuous service since October 1, 2013, shall be paid a one-time cash payment of 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014, which shall not be rolled into the base wage. For a full-time employee who has accumulated less than two thousand eighty (2080) hours of current continuous service since October 1, 2013, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned after October 1, 2013, and two thousand eighty (2080) hours, times 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014.

At the end of the first full pay period in October, 2014, or the first subsequent pay period in Fiscal Year 2014-15 for which the employee receives a pay check, each permanent-intermittent employee, part-time employee or seasonal employee, who is on the payroll as of October 2, 2014, and who was either: 1) on the payroll on October 1, 2013, 2) on furlough on October 1, 2013, 3) on seasonal layoff on October 1, 2013, who has accumulated less than two thousand eighty (2080) hours of current continuous service between October 1, 2013, and September 30, 2014, shall be paid a one-time cash payment which shall not be rolled into the base wage. For each such employee, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned between October 1, 2013, and September 30, 2014, and two thousand eighty (2080) hours, times 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014.

##### **2. Fiscal Year 2015-2016:**

- a. On October 1, 2015 each hourly rate shall be increased by two percent (2%).

3. Effective October 1, 2005 an optional signing bonus may be paid to attract eligible licensed practical nurses who possess skills that are in high market demand. A one-time lump sum bonus of up to \$1,500 may, at the employer's option, be paid to new hires in the following classes: Licensed Practical Nurse E9 and 10. Current employees in the listed classes are not eligible for the bonus. The bonus will only be paid to secure a commitment from a highly qualified candidate and when filling hard-to-fill positions. The employee must agree to pay back the entire bonus including tax withholding thereon, if the employee leaves the department within one year of the appointment. Payback remittances are owed and payable in full within thirty (30) calendar days of the termination date. Such remittance shall be taken as a negative gross pay adjustment from the employee's final pay warrant, if possible. The signing bonus is paid as a gross pay adjustment with the employee's first pay warrant.

#### **Section B. The New State Health Plan PPO (NSHP PPO) and New Health Maintenance Organization (NHMO).**

**Effective October 12, 2014, the "legacy" or traditional SHP PPO and HMO plans now offered to eligible employees hired before April 1, 2010 will be replaced by the New State Health Plan PPO ("NSHP PPO") and the New HMO ("NHMO") Plans which apply to eligible employees hired on or after April 1, 2010 subject to the changes below.** The State will continue to pay 80% of the total NSHP PPO premium with enrolled employees paying 20%. The State will pay up to 85% of the applicable NHMO total premium, capped at the dollar amount which the State pays for the same coverage code under the NSHP PPO, with enrolled employees paying the remainder. The current Catastrophic Health Plan offering will continue.

**The following changes are effective October 12, 2014 to the existing NSHP PPO and NHMOs:**

##### **NSHP PPO**

- Autism Benefits to be added to the NSHP PPO subject to deductibles and coinsurance;
- In-network Out of Pocket (OOP) Maximums to be increased from \$1500/\$3000 to \$2000/\$4000.

##### **NHMO**

- NHMO deductibles of \$125/\$250 to be implemented;
- Out of Pocket (OOP) Maximums to be implemented at the same levels as the NSHP: \$2000/\$4000.

**Appendix J2 replaces Appendix J and Appendix J1 effective October 12, 2014.**

1. Flexible Benefits Plan.

Bargaining Unit employees shall be eligible to participate in a Flexible Benefits Plan, as described in the Letter of Understanding between the parties entitled "Flexible Benefits Plan" which is found in Appendix H of this Agreement. It is understood and agreed that enrollment in the group insurance options offered under the Flexible Benefits Plan will be part of the annual open enrollment process.

2. The State Health Plan.

Effective January 1, 2003, the existing Basic and Major Medical plan (State Health Plan Advantage) shall be replaced with the PPO plan which shall be known as the "State Health Plan". State Health Plan In and Out of Network benefits and applicable deductibles and co-payments are outlined in Appendix J.

See Appendix J-1 for the New State Health Plan PPO (NSHP PPO) and new HMO (NHMO) health care coverage for eligible employees hired on or after April 1, 2010.

a. Premium splits.

The Employer shall pay ninety percent (90%) of the premium for the State Health Plan. Effective the first full pay period in October, 2012, the Employer shall pay eighty percent (80%) of the premium for the State Health Plan (SHP PPO).

Employees hired on or after January 1, 2000 who are appointed to a position with a regular work schedule consisting of 40 hours or less per biweekly pay period shall pay fifty percent (50%) of the premium for health, dental and vision insurance. This shall not apply to an employee appointed to a permanent-intermittent position. Eligibility for enrollment shall be in accordance with current contractual provisions.

Employees who have a regular work schedule of 40 hours or less per biweekly pay period who are temporarily placed on a regular work schedule of more than 40 hours per biweekly pay period for a period expected to last six months or more, shall be considered as working a regular work schedule of more than 40 hours for the period of the temporary schedule adjustment.

b. Co-pay.

Applicable individual deductibles and co-payments for in and out-of-network services under the State Health Plan are set forth in Appendix J. See Appendix J-1 for the New State Health Plan PPO (NSHP PPO) and new HMO (NHMO) health care coverage for eligible employees hired on or after April 1, 2010.

c. Psychiatric Services.

Benefits for in-patient and out-patient mental health care and substance abuse services shall be as outlined in Appendix J.

d. Deductibles and out of pocket maximums for the State Health Plan.

Deductibles under the State Health Plan shall be \$300/individual and \$600/family per calendar year for in network services and \$600/individual and \$1200/family per calendar year for out-of-network services. The maximum out of pocket cost per individual shall be \$1,000 and \$2,000/family per calendar year for in-network services and \$2,000/individual and \$4,000/family per calendar year for out-of-network services. Deductibles do not apply toward the maximum out of pocket cost.

e. Subrogation.

In the event that a participant receives services that are paid by the State Health Plan (SHP), or is eligible to receive future services under the SHP, the SHP shall be subrogated to the participant's rights of recovery against and is entitled to receive all sums recovered from any third party who is or may be liable to the participant, whether by suit, settlement, or otherwise, to the extent of recovery for health related expenses. A participant shall take such action, furnish such information and assistance, and execute such documents as the SHP may request to facilitate enforcement of the rights of the SHP and shall take no action prejudicing the rights and interest of the SHP.

f. The reimbursement for in-network and out-of-network private duty nursing and acupuncture therapy shall be 90% after the deductible is met.

g. In-network office visits and office consultations will be subject to a \$15.00 co-pay and will not be subject to the deductible. Out-of-network office visits and office consultations shall be covered at 90% after the deductible is met.

- h. The Disease Management Program currently known as Blue Health Connection shall be included under the State Health Plan as a covered benefit.
- i. PPO network for durable medical equipment (DME) and Prosthetic and Orthotics appliances will be integrated into the SHP PPO with in-network reimbursement at 100% and out-of-network reimbursement at 80% of approved charges. No deductible will be required.
- j. Effective October 1, 2008, in-network chiropractic spinal manipulation will be subject to a \$15 co-pay and will not be subject to the deductible. Out-of-network chiropractic spinal manipulation shall be covered at 90% after the deductible is met.
- k. In and Out-of-Network Access.

In and out-of-network access is described in a Letter of Understanding and attached rules for network use.

### **Section C. State Health Plan Provisions.**

#### **1. Hearing.**

The Employer shall continue to provide a Hearing Care Program as part of the State Health Plan and will include audiometric exams, hearing aid evaluation tests, hearing aids and fitting subject to a \$15 office call fee for the examination and shall be available once every 36 months unless hearing capacity changes in accordance with parameters determined upon advice by the State Health Plan's Medical Policy Team and audiology professionals. When medically appropriate, binaural hearing aides are a covered benefit.

#### **2. Mental Health/Substance Abuse.**

- a. Benefits for in-patient and out-patient mental health care and substance abuse services shall be as outlined in Appendix J.
- b. Conflicts of Interests. There may be circumstances in which a network provider is also a State employee, or is providing contractual services to a State agency, at a worksite where Bargaining Unit employees are employed.

The parties recognize that employees expect and require as much privacy as possible in their relationship with their treatment provider; requiring an employee to choose between using the services of a network provider with whom the employee works, versus assuming responsibility for a larger

share of the billed charges because a non-network provider has been selected for covered services, could cause this privacy interest to be compromised. The parties therefore agree that the Administrator will maintain a system of alternative provider referrals and equivalent covered expense reimbursement which assures that, at the patient's option, network providers for State employees and their dependents are neither State employees, nor providing contractual services to a State agency, at a worksite where the State employee is employed.

### **3. Miscellaneous.**

The State pays the entire premium if an active employee, his/her spouse or both are eligible for Medicare benefits, in most instances.

Health Plan coverage for enrolled dependents will cease the 30th day after a Unit member's death unless the covered Unit member is eligible for immediate pension benefit from the State Employees' Retirement System.

Under the State Health Plan medically necessary orthopedic inserts are covered as a benefit in accordance with the Durable Medical Equipment Benefit in Appendix J.

Under the State Health Plan, employees meeting "morbid obesity" criteria will be covered by a \$300 lifetime weight loss clinic attendance benefit covering those expenses not otherwise generally covered by the health plan. "Morbid Obesity" is defined as more than 50% or 100 pounds over ideal body weight or 25% over ideal body weight with certain medical conditions (such as diabetes, heart disease, respiratory disease, etc.).

Under the State Health Plan, the storage cost for self-donated blood in preparation for scheduled surgery will be covered subject to the individual deductible.

The Disease Management Program shall be continued under the State Health Plan as a covered benefit, with voluntary member participation.

### **Section D. Health Maintenance Organization (HMO).**

1. As an alternative to the State Sponsored Health Insurance Program, enrollment in HMO's is offered to those employees residing in areas where qualified licensed HMO's are in operation.
2. Effective October 1, 2008 the Employer shall pay 95% of the applicable HMO premium up to the amount paid for the same coverage code under the State Health plan PPO. Effective the first full pay period in October, 2012, the

Employer shall pay eighty five percent (85%) of the premium for the HMO Plan capped at the dollar amount the State would pay for the same level of coverage under the State Health Plan PPO.

3. Active employees eligible for Medicare benefits shall be eligible for enrollment in available HMO programs.
4. Fees and services for health screening to assist in early diagnosis of chronic disease are included in the services provided under the basic health care benefits of HMO's.
5. The Employer and AFSCME Council 25 shall jointly review the continued and new offering of any HMO to employees in the Unit.

Any HMO which provides benefits superior to those set forth in Appendix J for in-network services shall not reduce or diminish such benefits once a plan year has begun. No HMO offered to bargaining unit members may reduce benefits unless the reduction is announced during the open enrollment period.

The parties agree to meet annually through the Labor-Management Health Care Committee to discuss HMO costs and make recommendations for changes in order to keep HMOs affordable.

### **Section E. The Plan.**

Program to reduce utilization and to identify elective unnecessary treatment Plan, hereinafter referred to as "The Plan".

The Labor/Management Health Care Committee will have the responsibility of reviewing and monitoring the progress of the actual implementation of the State Health Plan.

Each exclusively recognized employee organization shall be entitled to designate one (1) representative to participate in The Labor/Management Health Care Committee.

The management representatives to the committee shall be selected by the Employer.

The Plan will consist of three principal components: (1) Second surgical opinion program; (2) Home Health Care; and (3) alternative delivery systems.

#### **1. Second Surgical Opinion.**

An individual covered under the State Health Plan will be entitled to a second surgical opinion. If that opinion conflicts with the first opinion the individual will be entitled to a voluntary third surgical opinion.

Second and third surgical opinions shall be subject to a \$15 in-network office call fee or covered at 90% after the deductible if obtained out-of-network.

## **2. Home Health Care.**

A program of Home Health Care and home care services to reduce the length of hospital stay and admissions shall also be a component of The State Health Plan. This component shall require that the attending physician contact the Third Party Administrator to authorize Home Health Care service in lieu of a hospital admission or a continuation of a hospital confinement.

The attending physician must certify that the proper treatment of the disease or injury would require continued confinement as a resident inpatient in a hospital in the absence of the services and supplies provided as part of the Home Health Care Plan. If appropriate, certification will be granted for an estimated number of visits within a specified period of time. The details of the types of services and charges that shall be covered under this component include part-time or intermittent nursing care by a registered nurse (R.N.) or licensed practical nurse if an R.N. was not available; part-time or intermittent home health aid services; physical, occupational and speech therapy; medical supplies, drugs and medicines prescribed by a physician, and laboratory services provided by or on behalf of a hospital, but only to the extent that they would have been covered if the individual had remained or been confined in the hospital. Home Health Care shall be available to employees at their option in lieu of hospital confinement. To receive home health care services, a patient shall not be required to be homebound. Home infusion therapy shall be covered as part of the home health care benefit or covered by its separate components (e.g. durable medical equipment and prescription drugs).

## **3. Alternative Delivery Systems.**

The State Health Plan shall also provide coverage for hospice care and birthing center care to employees and enrolled family members. To be eligible for the hospice care benefit, the covered individual must be diagnosed as terminally ill by the attending physician and/or hospice medical director with a medical prognosis of six months or less life expectancy. Covered hospice benefits include physical, occupational, and speech language therapy; home health aid services; medical supplies; and nursing care. Covered hospice benefits are not subject to the individual deductible or any co-payment and



will be paid only for services rendered by federally certified or state licensed hospices. Both hospice care and birthing center care shall be available to employees at their option in lieu of hospital confinement. Birthing center care is covered under the delivery and nursery care benefits set forth in Appendix J.

#### **Section F. Prescription Drugs.**

1. For prescriptions at retail, there shall be an employee co-pay of \$10 for generic drugs, \$20 for preferred brand name drugs and \$40 for non-preferred brand name drugs for each separate prescription order. Brand name drugs are deemed to be non-preferred because of the availability of a generic equivalent or a therapeutically or chemically equivalent brand name drug. Such plan shall provide for an employee identification card, and the required co-payment shall be made to participating providers at the time of drug purchase. Prescriptions filled at a participating retail pharmacy will only be approved up to a 34-day supply.

The Employer shall maintain the mail order prescription drug option for maintenance drugs. For prescriptions at mail order, there shall be an employee copay of \$20 for generic drugs, \$40 for preferred brand name drugs and \$80 for non-preferred brand name drugs. At the employee's option, an employee may elect to purchase maintenance prescription drugs through the mail order option.

The prescription drug plan will include the Generics Preferred Program, Drug Quantity Management (DQM) and Step Therapy.

2. Generic Drugs. The State Health Plan shall provide that unless otherwise specified by the prescribing physician, the pharmacy will be required to dispense a generic drug whenever a substitution is available.
3. Zyban and Nicotrol nasal spray are covered under the prescription drug plan (smoking cessation benefits).

#### **Section G. Group Dental Expense Plan.**

1. The Employer shall pay 95% of the applicable premium for employees enrolled in the group dental expense plan except as provided in Section B above for less than full time employees.
2. Permanent-Intermittent employees shall be permitted to enroll in the Dental Plan on return from furlough provided they meet other eligibility requirements.

3. Benefits payable under the Dental Expense Plan will be as follows: 90% of actual fee or usual, customary and reasonable fee, whichever is lower, for restorative, endodontic, and periodontic services (x-rays, fillings, root canals, inlays, crowns, etc.).
4. Covered Dental Expenses: The Dental Expense Plan will pay for incurred claims for employee and/or enrolled dependents at the applicable percentage of either the actual fee or the usual, customary and reasonable fee, whichever is lower, for the dental benefits covered under the Dental Expense Plan up to a maximum of \$1,500 for each covered person in each twelve (12) month period beginning October 1, exclusive of orthodontics for which there is a separate \$1,500 lifetime maximum benefit.
5. The Group Dental Expense Plan shall provide coverage for sealants. Sealants will be covered for permanent molars only which must be free of restoration or decay at the time of application. Sealants are payable only up to 14 years of age. Payments will be made on a per-tooth basis. No benefit is payable on the same tooth within three years of a previous application. The Dental Plan will pay 50% of the reasonable and customary amount of the sealant with the employee to pay the remainder. Under the Dental Point of Service PPO, the Plan will pay 70% of the charge.

The following services will be paid at the 100% benefit level:

**Diagnostic Services:**

- Oral examinations and consultations twice in a calendar year.

**Preventive Services:**

- Prophylaxis - teeth cleaning three times in a calendar year;
- Topical application of fluoride for children up to age 19, twice in a calendar year;
- Space maintainers for children up to age 14.
- Oral exfoliative cytology (brush biopsy) will be covered when warranted from a visual and tactile examination.

The following services will be paid at the 90% benefit level:

**Radiographs:**

- Bite-wing x-rays once each in calendar year unless special need is shown;

- Full mouth x-rays once in a 5-year period, unless special need is shown.

#### **Restorative Services:**

- Amalgam, silicate, acrylic, porcelain, plastic and composite restorations;
- Gold inlay and outlay restorations.

#### **Oral Surgery:**

- Extractions, including those provided in conjunction with orthodontic services;
- Cutting procedures;
- Treatment of fractures and dislocations of the jaw.

#### **Endodontic Services:**

- Root canal therapy;
- Pulpotomy and pulpectomy services for partial and complete removal of the pulp of the tooth;
- Periapical services to treat the root of the tooth.

#### **Periodontic Services:**

- Periodontal surgery to remove diseased gum tissue surrounding the tooth;
- Adjunctive periodontal services, including provisional splinting to stabilize teeth, occlusal adjustments to correct the biting surface of a tooth and periodontal scaling to remove tartar from the root of the tooth;
- Treatment of gingivitis and periodontitis - diseases of the gums and gum tissue.

The following **Prosthodontic** services will be paid at the 50% benefit level:

- Repair or rebasing of an existing full or partial denture;
- Initial installation of fixed bridgework;
- Implants;

- Initial installation of partial or full removable dentures (including adjustments for 6 months following installation);
- Construction and replacement of dentures and bridges (replacement of existing dentures or bridges is payable when 5 years or more have elapsed since the date of the initial installation).

**Orthodontic Services:** Orthodontic Services shall be paid at the sixty percent (60%) benefit level.

- Minor treatment for tooth guidance;
- Minor treatment to control harmful habits;
- Interceptive orthodontic treatment;
- Comprehensive orthodontic treatment;
- Treatment of an atypical or extended skeletal case;
- Post-treatment stabilization;
- Separate lifetime maximum of \$1,500 per each enrollee.
- Orthodontic services for dependents up to age 19; for enrolled employee and spouse, no maximum age. Orthodontic services for dependents up to age 25, if the dependent is a full-time student.

6. A dental "point of service PPO" is available for employees. The parties are assured that employees and dependents enrolled in the State Dental Plan may avail themselves of improved benefit levels at no additional cost to the Employer or employees by utilizing dental care providers that are members of the PPO. It has been determined that participation in the PPO will generate savings to the Employer and to the employees. The enhanced dental program benefits are as follows:

| <u>BENEFIT</u>     | <u>CURRENT<br/>COVERAGE</u> | <u>ENHANCED<br/>COVERAGE</u> |
|--------------------|-----------------------------|------------------------------|
| Exams              | 100%                        | 100%                         |
| Preventive         | 100%                        | 100%                         |
| Radiographs        | 90%                         | 100%                         |
| Fillings           | 90%                         | 100%                         |
| Endodontics        | 90%                         | 100%                         |
| Periodontics       | 90%                         | 100%                         |
| Simple Extractions | 90%                         | 100%                         |

|                       |     |      |
|-----------------------|-----|------|
| Complex Extractions   | 90% | 100% |
| Prosthodontic Repairs | 90% | 100% |
| Other Oral Surgery    | 90% | 90%  |
| Adjunctive            | 90% | 90%  |
| Crowns                | 90% | 90%  |
| Sealants              | 50% | 70%  |
| Fixed Bridgework      | 50% | 70%  |
| Implants              | 50% | 70%  |
| Partial Dentures      | 50% | 70%  |
| Full Dentures         | 50% | 70%  |
| Orthodontics          | 60% | 75%  |

Annual Maximum \$1,500      Lifetime Orthodontics \$1,500

## **Section H. Wellness and Screening.**

### **Health Risk Appraisal**

The Employer agrees to maintain the current Health Risk Appraisal Program in cooperation with the Office of the State Employer, for Bargaining Unit members who wish to participate. Such program shall consist of a Health assessment questionnaire to be completed by the participant, a mechanism for obtaining and recording current clinical data on vital health status measures (e.g., blood pressure, cholesterol levels, height/weight) for each participant, and feedback reports consisting of individual group profiles. The program shall safeguard participant data from unauthorized release to the Employer, the Union, or third parties.

Wellness and Preventive coverage in accordance with the State Health Plan as outlined in Appendix J will be subject to a maximum plan payment of \$1500 per individual per calendar year for in-network services. There shall be no coverage for Wellness and Preventive Services received out-of-network except as described below.

The cost for a colonoscopy exam (one every ten years beginning at age 50), and the cost for childhood immunizations will not be applied toward the calendar year maximum. These services will be covered at 100% in-network with no deductible and out-of-network at 90% after the deductible.

The State pays health premiums in accordance with the State Employees Retirement Act for enrolled employees who are receiving retirement benefits.

## **Section I. Life Insurance.**

1. The State pays 100% of employee's premium, which has a death benefit equal to 2.0 times annual salary rounded up to the nearest \$1,000. Employee pays 100% of premium for dependents.
  - a. Employee pays 100% of premium for optional dependent coverage.
  - b. Employee may choose between five levels of dependent coverage:
    - (1) level one insures spouse for \$1,500 and children from age fifteen (15) days to 23 years for \$1,000.
    - (2) level two insures spouse for \$5,000 and children from age fifteen (15) days to 23 years for \$2,500.
    - (3) level three insures spouse for \$10,000 and children from age fifteen (15) days to 23 years for \$5,000.
    - (4) level four insures spouse for \$25,000 and children from fifteen (15) days to twenty three (23) years for \$10,000.
    - (5) level five insures children from fifteen (15) days to twenty three (23) years for \$10,000.
2. State pays 100% premium for retired employees and spouse. Coverage is 25% of the insurance in force at retirement.
3. In case of an employee's accidental death in line of duty, the State provides a benefit of \$100,000.
4. The age ceiling of 23 years for dependent coverage (see Section a. above) available under the optional life insurance plan shall not apply to handicapped dependents. Such additional coverage shall be provided at the current premium cost to the employee. A dependent is considered handicapped if he/she is unable to earn his/her own living because of mental retardation or physical handicap and depends chiefly on the employee for support and maintenance.
5. Upon presentation of satisfactory evidence of total disability to Civil Service, which is defined as receiving benefits from one of the following: a. The State's long term disability plan, b. Social Security disability coverage, c. Workers' Compensation Insurance, or d. State's duty or nonduty disability retirement plan, the employee shall receive life insurance coverage fully paid by the Employer for as long as the employee is disabled. All premium payments made by the employee prior to establishing total disability shall be reimbursed

to the employee. The benefit level is the amount in force on the day the employee becomes totally disabled. However, if the employee is totally disabled on his/her sixty-fifth birthday, the employee shall be considered retired and the life insurance coverage shall be the same as if the employee had retired.

#### **Section J. Long Term Disability.**

1. The Employer shall maintain Group LTD Insurance coverage.
2. An employee is eligible for a group plan of income protection in case of total non-work-related disability which guarantees income equal to two-thirds of the employee's current basic rate of pay (limited to a maximum payment of \$3,000 per month). Effective October 1, 2002, the monthly maximum benefit will increase to \$5,000 for disabilities beginning after September 30, 2002. Payment begins after use of the employee's accumulated sick leave, but in no event before the fourteenth day of disability. If the employee has fewer than 23 days of accumulated sick leave when first insured, the income guarantee applies for a maximum of two years (Plan I). If the accumulation is 23 days or more, the guarantee applies until age 65 is reached (Plan II). Sick leave accumulations are reviewed biweekly. Plan I enrollees who then have more than 23 days of accumulated sick leave are reclassified to Plan II. If the employee has other employment-connected or group sponsored income benefits or is receiving Social Security Disability payments, these are included as a part of the 66-2/3% guaranteed income.
3. State pays a percentage of premium cost. This percentage varies for individual employees according to applicable plan of insurance coverage.
4. There shall be a no waiting/qualifying period for a recurrence of the same disability within a ninety (90) calendar day period.
5. Effective October 1, 2005 the benefit period for "mental/nervous" claims shall be limited to 24 months from the beginning of the time a claimant is eligible to receive benefits. The limitation does not apply to mental health claims where the claimant is under in-patient care.
6. Effective October 1, 2005 the eligibility period for Plan II claimants who remain totally disabled shall be until age 65, or for a period of 12 months, whichever is greater.
7. The Employer agrees that P.I. and part time employees in this Bargaining Unit shall be entitled to sign up for LTD insurance during the open enrollment period.

Eligibility for coverage is based on the average number of hours worked per pay period during the preceding Fiscal Year. To be eligible, the employee would have to average at least 32 hours per pay period. It is not the intent that an employee must have at least 32 hours each pay period. The formula for 40% or more of full time is that an employee must be in pay status at least 832 hours during the previous Fiscal Year. The 832 hours would average out to 32 hours per pay period. Thus, if an employee was in pay status 80 hours per pay period for 11 pay periods and 0 hours for the remaining 15 pay periods, the employee would still be eligible because he/she would have 880 hours in pay status.

The premium charged to covered employees each pay period is determined in the same manner as it is for full time employees.

The rate charged would continue to be tied to the employee's sick leave balance.

The benefit is based on the employee's average biweekly hours worked the preceding Fiscal Year but is calculated using the employee's current hourly rate. Thus, an employee who worked an average of 40 hours per pay period last Fiscal Year and is currently earning \$10.00 per hour would have their benefit determined as if they had been earning \$400.00 per pay period. Obviously, to determine the actual benefit, this would then be converted to a monthly income figure as called for in the LTD plan.

8. The Employer shall provide a Rider to the existing LTD insurance. All employees who are covered by LTD insurance shall automatically be covered by this Rider as well. The Rider shall provide insurance which will pay directly to the carrier, 100% of health insurance (or HMO) premiums while such employee is on LTD insurance for a maximum of six (6) months for each covered employee. The Employer agrees to pay 100% of cost of such Rider. If not prohibited by the IRS, an employee whose LTD Rider has expired may transfer immediately to a State-employee spouse's health plan.

#### **Section K. Vision Care Plan.**

1. The Employer shall provide a vision care plan paying one hundred percent (100%) of the applicable premium for employees and dependents enrolled in the plan except as provided above in Section B. for less than full-time employees. There will be an annual enrollment period for the Vision Insurance.
2. Benefits payable under the plan for participating providers will be as follows:



- a. Examination -- payable once in any twelve (12) month period with an employee co-payment of \$5.00.
- b. Lenses and Frames -- payable once in any twenty-four (24) month period with an employee co-payment of \$7.50 for eyeglass lenses and/or frames and \$7.50 for medically necessary contact lenses. Lenses and frames are payable once in any twelve (12) month period when there is a change in prescription. The maximum acquisition cost limit for frames shall be \$25.00. The dispensing fee shall remain at \$25.00 for a total maximum of \$45.00. Regular lenses up to 71 mm will be covered. If a larger lens is selected, the employee must pay for the additional expenses attributed to the lens greater than 71 mm in diameter.
- c. Contact Lenses Not Medically Necessary -- the carrier will pay a maximum of \$90 and the employee shall pay any additional charge of the provider, for such lenses. The co-payment provision under 2.b.(2) is not required.

Medically necessary means that (a) the member's visual acuity cannot otherwise be corrected to 20/70 in the better eye or (b) the member has one of the following visual conditions: Keratoconus, Irregular Astigmatism or Irregular Corneal Curvature.

### 3. Plan Payments for Nonparticipating Providers

- a. For Vision Testing Examinations: The carrier will pay, once in any twelve (12) month period, 75% of the reasonable and customary charge after it has been reduced by the member's co-payment of \$5.00.
- b. For Eyeglass Lenses: The carrier will pay, once in any twenty-four (24) month period, the provider's charge or the amount set forth below, whichever is less.

#### (1) Regular Lenses

|                     |                  |
|---------------------|------------------|
| Single Vision ..... | \$13.00 per pair |
| Bifocal .....       | \$20.00 per pair |
| Trifocal .....      | \$24.00 per pair |

#### (2) Contact Lenses

|  |                  |
|--|------------------|
| Medically necessary as defined in Subsection (3).... | \$96.00 per pair |
| Not medically necessary.....                         | \$40.00 per pair |

#### (3) Special Lenses

For covered special lenses (e.g., Aphakic, Lenticular and Aspheric) the carrier will pay 50% of the provider's charge for the lenses or 75% of the Average Covered Vision Expense Benefits paid to participating providers for comparable lenses, whichever is less.

(4) Additional charges for plastic lenses.....\$ 3.00 per pair

Plus benefit provided above for covered lenses.

(5) Additional charges for tints equal to

Rose Tints #1 and #2 .....\$ 3.00 per pair

(6) Additional charges for Prism Lenses.....\$ 2.00 per pair

When only one lens is required, the carrier will pay one-half of the applicable amount per pair shown above.

- c. For Eyeglass Frames: The carrier will pay the provider's charges or \$14.00, whichever is less.

Employees who are enrolled in HMO may receive benefits through their HMO carrier. Such benefits shall be comparable to the above plan(s).

Employees who, while operating a VDT/CRT require prescription corrective lenses which are different than those normally used, shall be eligible for reimbursement for lenses and frames on an annual basis at the rates provided herein. Such reimbursement shall be made by the Departmental Employer. These lenses and frames are in addition to those provided under the vision care insurance. In order to be eligible for this benefit employees must operate a VDT more than 50% of the time.

#### **Section L. Shift Differential.**

Employees shall be paid a shift differential of five percent (5%) per hour above their straight time rates for all hours worked in a day if fifty percent (50%) or more of their regularly scheduled hours fall between the hours of 4:00 p.m. and 5:00 a.m. In the Department of Corrections only, employees shall be paid a shift differential of five (5%) percent per hour above their straight time rates for all hours worked in a day if their regular schedule for that day provides that the employee is scheduled to begin work at or after 2:00 p.m. but before 5:00 a.m. In addition, Food Services Leader Prisoner E-9's shall be paid a shift differential if their workday begins at or after noon.

If an employee is reassigned from a premium shift to the day shift for training purposes, the Employer shall continue to pay shift differential if such reassignment is for a period of five (5) working days or less.

If employees are temporarily reassigned from a premium shift to a day shift for investigation, such employees shall be entitled to shift differential for the full period of the temporary assignment under the following circumstances:

1. If no disciplinary action is taken, or
2. If disciplinary action is taken and is subsequently overturned.

While on sick, annual, deferred, holiday, or administrative leave no employee shall earn shift differential or hazard pay or any premium not normally included in the base rate of pay.

It is agreed that when employees are released from duty to carry out Union activities in accordance with the following provisions they shall receive base pay including applicable shift premium as follows: Article 9, Section G., Processing Grievances, Section H., Documents and Witnesses; Article 10, Section D., Union Representatives; Article 11, Section J., Safety Inspection, Section L., Health and Safety Committee.

Shift premium shall not apply to Article 7, Section C., Executive Board or Section E., Union Convention and Schools; Article 8, Section E., Union Negotiating Committee; or for training conducted on the day shift.

This Article shall serve as a basis for the resolution of similar pay questions not specifically covered hereunder.

### **Section M. Compensation Under Conditions of General Emergency.**

#### **1. General Emergency**

Conditions of general emergency include, but are not necessarily limited to, severe or unusual weather, civil disturbance, loss of utilities, physical plant failures, or similar occurrences. Such conditions may be widespread or limited to specific work locations.

#### **2. Compensation in Situation of Closure**

When a state facility is closed by the Governor or her/his designated representative, affected employees shall be authorized administrative leave to cover their normally scheduled hours of work during the period of closure.

Individual employees of facilities ordered closed may be required to work to perform essential services during the period of closure. When such is the case, these employees shall be compensated in the manner prescribed for employees who work under conditions of declared inaccessibility.

### **3. Compensation In Situation of Inaccessibility**

An employee who works at a state facility during a declared period of inaccessibility shall be paid his/her regular salary and, if overtime work is required, in accordance with the overtime provisions of this Agreement. In addition such employees shall be granted compensatory time off equal to the number of hours worked during the period of declared inaccessibility. Compensatory time shall not accrue at the premium rate.

### **Section N. Moving Expenses.**

Employees are eligible for all the benefits under Article 22, Section N., moving expenses, under the following circumstances:

1. If the employee is to be laid off (as defined in Article 22, Section Q.1.a. severance pay), or if an employee transfers in lieu of lay-off in accordance with Article 13, Section O., or once the Director of the Department of Community Health has officially designated that an agency is to be closed and
2. If the employee accepts employment with the State of Michigan at another location and moves their residence closer to the new work location.
3. The maximum benefit for moving, travel, storage, etc. under this provision shall be \$3,000.00.
4. If the employee voluntarily separates within the first 6 months from the new employment, the Employee shall repay to the State all monies received under this provision.
5. Any unemployment benefits which the Employee receives as a result of being laid off shall be deducted from the maximum \$3,000.00.

#### **a. Persons Covered.**

All authorized full-time employees currently employed by the State of Michigan being relocated for the benefit of the State, who actually move their residence as a direct result of the relocation, and who agree to continue employment in the new location for a minimum of one year are entitled to all benefits provided by this policy. New employees not

presently (on the effective date of this Agreement) working for the State of Michigan shall not be entitled to benefits provided in this Article.

**b. By Commercial Mover.**

The State will pay the transportation charges for normal household goods up to a maximum of 14,000 pounds for each move. Charges for weight in excess of 14,000 pounds must be paid directly to the mover by the employee.

- (1) Household Goods: Includes all furniture, personal effects and property used in a dwelling, and normal equipment and supplies used to maintain the dwelling except automobiles, boats, camping vehicles, firewood, fence posts, tool sheds, motorcycles, snowmobiles, explosives, or property liable to impregnate or otherwise damage the mover's equipment, perishable foodstuffs subject to spoilage, building materials, fuel or other similar non-household good items.
- (2) Packing: The State will pay up to \$600 for packing and/or unpacking breakables. The employee must make arrangements and pay the mover for any additional packing required.
- (3) Insurance: The carrier will provide insurance against damage up to \$.60 per pound for the total weight of the shipment. The State will reimburse the employee for insurance costs not to exceed an additional \$.65 per pound of the total weight of the shipment.

In addition to the above packing allowances, the State will pay the following accessorial charges which are required to facilitate the move: Appliance Service; Piano or organ handling charges; Flight, elevator or distance carrying charges, Extra labor charges required to handle heavy items, e.g. pianos, organs, freezers, pool tables, etc.

Charges for stopping in transit to load or unload goods and the cost of additional mileage involved to effect a stop in transit must be paid by the employee. Also, extra labor required to expedite a shipment at the request of the employee must be paid by the employee.

**c. Mobile Homes.**

The State will pay the reasonable actual cost for moving a mobile home if it is the employees' domicile, plus a maximum \$500 allowance for blocking, unblocking, securing contents or expando units, installing or removal of tires (on wheels) on or off the trailer, removal or replacement of

skirting and utility connections will be paid by the State when accompanied by receipts. "Actual Moving Cost" includes only the transportation cost, escort service when required by a governmental unit, special lighting permits, tolls or surcharges. "Actual Moving Cost" does not include the moving of oil tanks, out buildings, swingsets, etc. that cannot be dismantled and secured inside the mobile home.

Mobile home liability is limited to damage to the unit caused by negligence of the carrier, and to contents up to a value of \$500. Additional excess valuation and/or hazard insurance may be purchased from the carrier at the expense of the employee.

The repair or replacement of equipment of the trailer, e.g., tires, axles, bearings, lights, etc., are the responsibility of the owner.

**d. Storage of Household Goods.**

The State will pay for storage not in excess of sixty (60) days in connection with an authorized move at either origin or destination, only when housing is not readily available.

**e. Temporary Travel Expense.**

From effective date of reassignment, up to sixty (60) calendar days of travel expense at the new assigned workstation are allowed. Extension beyond sixty days, but not to exceed a total of one hundred eighty (180) days, may be allowed due to unusual circumstances in the full discretion of the Employer. Authorized travel shall include one (1) round trip weekly between the new workstation and the former residence.

**f. To Secure Housing.**

A continuing employee and one (1) additional family member will be allowed up to three (3) round trips to a new official workstation for the purpose of securing housing. Travel, lodging, and food costs will be reimbursed up to a maximum of nine (9) days in accordance with the Standardized Travel Regulations.

**Section O. Sick Leave Allowance.**

An employee who separates from the State classified service for retirement purposes in accordance with the provisions of the state retirement act or death, shall be paid for fifty percent of unused sick leave as of the effective date of separation. Upon separation from the State classified service for any reason

other than retirement or death, the employee shall be paid for a percentage of unused sick leave in accordance with the Table of Values as follows:

| TABLE OF VALUES            |                 |
|----------------------------|-----------------|
| Sick Leave Balance - Hours | Percentage Paid |
| Less than 104              | 0               |
| 104 – 208                  | 10              |
| 209 – 416                  | 20              |
| 417 – 624                  | 30              |
| 625 – 832                  | 40              |
| 833 or more                | 50              |

No pay off shall be made to an employee hired on or after October 1, 1980.

1. Allowance - Every permanent employee in the state classified service shall be entitled to 4 hours of sick leave with pay for each completed 80 hours of service or to a pro-rated amount if paid service is less than eighty (80) hours in the pay period. The pro-rated amount shall be based on the number of hours in pay status divided by eighty (80) hours multiplied by four (4) hours. Paid service in excess of 80 hours in a bi-weekly period shall not be counted.
2. Crediting - Sick leave shall be credited at the end of the bi-weekly work period.

#### **Section P. Annual Leave Allowance.**

1. Upon entry into the classified service each permanent employee will be credited with an initial annual leave grant of 16 hours which is immediately available upon approval of the Appointing Authority. The 16 hours initial grant shall not be credited more than once in a calendar year.
2. Permanent employees are entitled to annual leave in accordance with the schedule below with pay for each 80 hours of paid service, or to a pro-rated amount if paid service is less than eighty (80) hours in the pay period.

Permanent employees who have completed five years of currently continuous service shall earn annual leave with pay in accordance with their total classified service including military leave, subsequent to January 1, 1938 as follows:

| ANNUAL LEAVE TABLE    |                            |
|-----------------------|----------------------------|
| <u>Service Credit</u> | <u>Annual Leave</u>        |
| 0–1 year              | = 4.0 hrs./80 hrs. service |
| 1–5 years             | = 4.7 hrs./80 hrs. service |

|             |   |                           |
|-------------|---|---------------------------|
| 5–10 years  | = | 5.3 hrs./80 hrs. service  |
| 10–15 years | = | 5.9 hrs./80 hrs. service  |
| 15–20 years | = | 6.5 hrs./80 hrs. service  |
| 20–25 years | = | 7.1 hrs./80 hrs. service  |
| 25–30 years | = | 7.7 hrs./80 hrs. service  |
| 30–35 years | = | 8.4 hrs./80 hrs. service  |
| 35–40 years | = | 9.0 hrs./80 hrs. service  |
| 40–45 years | = | 9.6 hrs./80 hrs. service  |
| 45–50 years | = | 10.2 hrs./80 hrs. service |
| etc.        |   |                           |

3. Permanent full time nonprobationary employees shall receive two personal leave days (16 hours) to be used in accordance with normal requirements for annual leave usage. These leave hours shall be placed in the annual leave counter in accordance with the procedures applicable to such counters in the State's payroll system. Employees may request this personal leave day 24 hours in advance. Requests made under this provision shall not be unreasonably denied or unreasonably withdrawn. Such leave shall be granted to less than full time, nonprobationary employees on a pro rata basis in accordance with current practice regarding holidays. However, if such an employee is in work status for a minimum of forty percent (40%) of full time during the previous fiscal year, they shall be granted sixteen (16) hours of personal leave. Such leave time shall be granted to employees returning from leave of absence on their return. Such leave time shall be granted to persons entering the Bargaining Unit (for example, from recall from layoff) on a prorata basis. However, no employee shall be entitled to more than one grant of personal leave in each fiscal year. Such leave time shall be credited to the employees' annual leave balances on each October 1.
4. Annual leave shall be credited at the end of the biweekly work period. Annual leave shall be available for use only in biweekly work periods subsequent to the biweekly work period in which it is earned. When paid service does not total 80 hours in a biweekly work period, the employee shall be credited with a pro-rated amount of leave for that work period based on the number of hours in pay status divided by eighty (80) hours multiplied by the applicable accrual rate. No annual leave shall be authorized, accumulated or credited in excess of the schedule below, except that an employee who is suspended or dismissed and who is subsequently returned to employment with full service benefits shall be permitted annual leave accumulation in excess of the schedule below. Upon return to employment, the employee shall be granted up to one year from that date to liquidate the amount of annual leave above



maximum by means of paid time off work. Should employment be terminated for any reason during that one-year period, the employee or beneficiary shall be paid for no more than 240 hours of unused credited annual leave.

No annual leave in excess of 240 hours shall be included in final average compensation for the purpose of calculating the level of retirement benefits.

5. Employees who voluntarily transfer from one state department to another state department shall be paid at their current rate of pay for their unused annual leave. However, the employee may elect to transfer all hours of accumulated annual leave. An employee who is suspended shall not be entitled to payment for unused annual leave.
6. Annual leave shall not be credited or used in anticipation of future leave credits. In the absence of applicable leave credits, payroll deductions for the time lost shall be made for the work period in which the absence occurred. An employee may utilize annual leave only in accordance with the provisions of this Agreement.

#### **ANNUAL LEAVE ACCUMULATION SCHEDULE**

| <b><u>Years</u></b> | <b><u>Accrual</u></b> | <b><u>Payoff</u></b> | <b><u>Accumulation</u></b> |
|---------------------|-----------------------|----------------------|----------------------------|
|                     |                       | <b><u>Cap</u></b>    | <b><u>Cap</u></b>          |
| 1-5                 | 4.7                   | 256                  | 296                        |
| 5-10                | 5.3                   | 271                  | 311                        |
| 10-15               | 5.9                   | 286                  | 326                        |
| 15-20               | 6.5                   | 301                  | 341                        |
| 20-25               | 7.1                   | 306                  | 346                        |
| 25-30               | 7.7                   | 316                  | 356                        |
| 30-35               | 8.4                   | 316                  | 356                        |
| etc.                |                       |                      |                            |

#### **Section Q. Severance Pay.**

In recognition of the fact that the deinstitutionalization of the Department of Community Health resident population has resulted and will continue to result in the layoff of a large number of State employees, and in recognition of the fact that such layoffs are likely to result in the permanent termination of the employment relationship the parties hereby agree to the establishment of severance pay for certain employees.

##### **1. Definitions**

- a. Layoff - For purposes of this Section, layoff is defined as the termination of active State employment solely as a direct result of a reduction in force. Other separations from active State employment such as leaves of absence, resignation, suspension or dismissal shall not be considered a layoff under the terms of this Section.
- b. Week's Pay - Week's pay is defined as an employee's gross pay for forty (40) hours of work at straight time excluding such things as shift differential and "P" rate at the time of layoff.
- c. Year of Service - Year of Service is defined as year of seniority as defined in Article 12, Section A, paragraph 1.

## **2. Eligibility**

The provisions of this Section shall apply only to Department of Community Health Agency-based employees with more than one year of service who have been laid off because of a reduction in the resident population in State institutions. Further, the following employees shall not be eligible to receive severance pay:

- a. Employees who are in unsatisfactory employment status. However, if an unsatisfactory service rating is removed for any reason, such employees shall be considered eligible for severance pay in accordance with other provisions in this Section. The provisions of this Subsection (Q2a) shall not apply to employees with 10 or more years of seniority.
- b. Severance pay will not be denied due to retirement status. Offsets may be made in accordance with federal law (ADEA/OWBPA).
- c. Employees with a temporary or limited term appointment having a definite termination date.

## **3. Time and Method of Payment**

After an employee has been laid off for six (6) months in accordance with the provisions of this Section, he/she shall be notified by the Agency in writing that he/she has the option of remaining on the recall list(s) or of accepting a lump sum severance payment and thereby forfeiting all recall rights. The employee must notify the Agency in writing of his/her decision either to accept the severance payment or to retain recall rights. An employee who does not notify the Agency in writing of his/her decision shall be deemed to have elected to retain recall rights.

If the employee chooses to remain on recall and rejects the payment, the employee has the option at any time within the next six (6) months of accepting the lump sum severance payment and thereby forfeiting all recall rights. An employee who reaches such decision during the second six (6) month period shall notify the Agency in writing of his/her decision.

An employee who has been laid off for thirty-six (36) months shall be notified by the Agency in writing that he/she must choose either to accept the lump sum severance payment or to reject such payment. By rejecting such payment, the employee shall retain recall rights in conformance with the provisions of this Agreement and shall have no further opportunity to receive severance payment. The employee must notify the Agency in writing of his/her decision within fourteen (14) calendar days of receipt of the Agency's notification. An employee who does not notify the Agency in writing of his/her decision to accept the severance payment shall be deemed to have permanently rejected such payment and to have retained recall rights in accordance with Article 13. If an employee elects to accept the lump sum payment, the employee's name shall be removed from all recall lists and such payment shall be made by the Agency within sixty (60) calendar days of receipt of the employee's decision.

#### **4. Disqualification**

An employee laid off as defined in this Section who has not elected in writing to accept severance payment shall be disqualified from receiving such payment under the following conditions:

- a. If the employee is deceased.
- b. If the employee is hired for any position by an Employer outside of the classified service and the initial base hourly rate for the position is 75% or more of the employee's final base hourly rate in the position from which the employee was laid off:
  - (1) If such employment requires a probationary period, upon successful completion of such period.
  - (2) If no probationary period is required, upon date of hire.
  - (3) If a probationary period is required and the employee does not successfully complete such required probationary period and is therefore separated, such time of employment shall be bridged for purposes of the time limits in Subsection 3 above.

An Employee who has notified the Employer by the time the Employee is laid off that he/she is engaged in supplemental employment shall not be disqualified under the provisions of this Subsection.

- c. An employee who refuses recall or a new State employment hiring within a seventy five (75) mile radius of the Agency from which he/she was laid off.
- d. An employee permanently recalled to another job in State government.

## **5. Effect of Recall**

- a. An employee temporarily recalled for less than sixty (60) calendar days shall have such time bridged for purposes of counting the time in accordance with Subsection 3 above.
- b. An employee permanently (more than sixty (60) calendar days) recalled to a position in this Bargaining Unit and subsequently laid off shall have the same rights as if he/she were laid off for the first time. The time limits listed in Subsection 3 above shall be applied from the date of the most recent layoff.

## **6. Effect of Hiring**

If an employee has accepted severance payment and is hired into the State Classified Service or into a State-funded position caring for residents within two (2) years of the acceptance of severance payment, such employee shall repay to the State the full net (gross less employee's FICA and income taxes) amount of the severance payment received. Such repayment shall not be required until after the employee has successfully completed a required probationary period. Once such employee has successfully completed the required probationary period, that employee shall have a one (1) year period to make the repayment to the Agency from which the severance payment was received.

Employees who repay their severance payment after being hired into a position in the State Classified Service shall not be considered to have had a break in service as a result of earlier acceptance of severance pay.

## **7. Payment**

An employee who elects in writing to receive severance pay shall receive an explanation of the terms of such severance pay. The employee and Appointing Authority or designee shall sign the form which explains all the conditions attendant to acceptance of severance pay and the signatures shall

be witnessed. No employee is entitled to receive severance pay until and unless he/she has signed the above mentioned form. The employee shall receive a copy of the signed form.

The Employer shall deduct from the amount of any severance payment any amount required to be withheld by reason of law or regulation for payment of taxes to any federal, state, county or municipal government. Eligible employees as indicated in Subsection 1-6 above shall receive severance payment according to the following schedule:

- a. Employees who have from one (1) through five (5) years of service: One week's pay for every full completed year of service, years 1-5;
- b. Employees who have more than six (6) full years of service: Two week's pay for every full completed year of service, years 6-10.
- c. Employees who have more than eleven (11) full years of service: Three week's pay for every full completed year of service from year 11 on.

For amounts, see schedule below.

Employees who work less than full time (80 hours per pay period) shall be eligible in accordance with Subsections 1-6 above, to receive a proportional severance payment in accordance with the following formula:

The Agency shall calculate the average number of hours such employee worked for the calendar year preceding such employee's layoff. This number shall then be used to determine the proportion of such employee's time in relation to full time employment. This proportion shall then be applied to the above payment schedule for purposes of payment. (See attached example).

However, no employee shall be entitled to receive more than fifty-two (52) weeks of severance pay.

## **8. Effect on Retirement**

The acceptance or rejection of severance pay shall have no effect on vested pension rights under the Retirement Act. The parties agree that the severance payment shall not be included in the computation of compensation for the purpose of calculating retirement benefits and will seek and support statutory change if such legislation is necessary to so provide.

## 9. Special Severance Pay

Employees who are indefinitely laid off after January 1, 1994, are eligible for severance payments in accordance with this Section, on or after October 1, 1995. The provisions of this Subsection will not apply to Department of Community Health employees entitled to severance pay under this Section and severance payments to those employees not paid from this fund.

Cumulative payments shall not exceed \$500,000 during the term of this agreement and shall not be payable after September 30, 2014.

### **SEVERANCE PAY SCHEDULE**

| <b><u>Hours</u></b> | <b><u>Years</u></b> | <b><u>Weeks Pay</u></b> |
|---------------------|---------------------|-------------------------|
| 2088-4176           | 1                   | 1                       |
| 4177-6264           | 2                   | 2                       |
| 6265-8352           | 3                   | 3                       |
| 8353-10440          | 4                   | 4                       |
| 10441-12528         | 5                   | 5                       |
| 12529-14616         | 6                   | 7                       |
| 14617-16704         | 7                   | 9                       |
| 16705-18792         | 8                   | 11                      |
| 18793-20880         | 9                   | 13                      |
| 20881-22968         | 10                  | 15                      |
| 22969-25056         | 11                  | 18                      |
| 25057-27144         | 12                  | 21                      |
| 27145-29232         | 13                  | 24                      |
| 29233-31320         | 14                  | 27                      |
| 31321-33408         | 15                  | 30                      |
| 33409-35496         | 16                  | 33                      |
| 35497-37584         | 17                  | 36                      |
| 37585-39672         | 18                  | 39                      |
| 39673-41760         | 19                  | 42                      |
| 41761-43848         | 20                  | 45                      |
| 43849-45936         | 21                  | 48                      |
| 45937-48024         | 22                  | 51                      |
| 48025-50112         | 23                  | 52                      |
| 50113-52200         | 24                  | 52                      |
| 52201-54288         | 25                  | 52                      |

etc.

### **EXAMPLE OF SEVERANCE PAY FOR LESS THAN FULL TIME EMPLOYEE**

Average number of hours worked in previous calendar year: 1980

Full time employee hours: 2088

Proportion (or percentage)  $\frac{1980}{2088} = 94.8\%$

2088

$.948 \times \$S.P. = \$\text{Gross Amount to be paid}$

S.P. = Severance Payment from schedule

### **Section R. Schedule of Travel Rates.**

Except as indicated below, employees shall be entitled to travel reimbursement at the rates and in accordance with the Standardized Travel Regulations and the Department of Management and Budget Administrative Manual 5-3-1 which are in effect on the date(s) of travel. Reimbursement shall be actual expenses up to the maximum amount. Employees shall attach the receipt for any reimbursed meal to the request. Copies of the Standardized Travel Regulations or reimbursement rates as described in the Compensation Plan shall be provided to the Local Union by the Agencies.

Employees who regularly receive a paid meal and who regularly eat meals with clients/residents, shall be reimbursed for meals eaten while transporting clients/residents during their shift at the rate and in accordance with standardized travel regulations.

### **Section S. Workers' Compensation.**

In case of injury or illness for which an employee is eligible for work related disability benefits under Michigan Workers' Compensation Law, the Employer may authorize salary payment which, with work disability payments, and benefits payable under the No Fault Law, equals two-thirds of regular salary. Leave credits may be utilized to the extent of the difference between payment and the employee's regular salary.

### **Section T. Public Acts 414, 232, 280, & 285.**

Employees covered under the above Public Acts and who are injured during the course of their employment as a result of an assault by a recipient (or inmate) or as a result of helping another employee in subduing a recipient or injured during a riot shall receive their full net wages as follows: The employee shall receive in addition to Workers' Compensation, a supplement from the Department which together with Workers' Compensation benefits shall equal but not exceed the

weekly net wage of the employee at the time of injury. Claims shall be submitted by the employee on a standardized form and processed within thirty (30) calendar days, upon receipt of all necessary documents. Payment, if approved, under the act shall be paid without undue delay. The above describes existing eligibility for compensation under the Acts and may be subject to legislative or court change. A copy of a request for an employee to receive these benefits shall be sent to the Local Union by the Agency.

#### **Section U. Retirement Benefits.**

A description of the benefits available under the State Retirement Act is available from the personnel office or from the Office of Retirement Services in the Department of Management and Budget. These benefits are subject to change by action of the legislature.

#### **Section V. Longevity Pay.**

An annual longevity payment payable on the pay date following the first full pay period in October of each year, in addition to salary is provided for all eligible employees.

An employee is credited with all prior service since January 1, 1930 in determining the amount of the longevity payment. However, the employee must have completed an aggregate of 10,400 hours of continuous service prior to October 1 before becoming eligible to receive the payment.

The regular rate add-on for longevity overtime will be calculated and paid retroactively for overtime worked in the previous fiscal year. This amount will be included in the longevity payment.

#### **Schedule of Payments**

| <b><u>Equivalent Hours of<br/>Service Prior to Oct. 1</u></b> | <b><u>Annual Payments</u></b> |
|---|-------------------------------|
| 10,400 – 18,719   | \$ 260                        |
| 18,720 – 27,039   | \$ 300                        |
| 27,040 – 35,359   | \$ 370                        |
| 35,360 – 43,679   | \$ 480                        |
| 43,680 – 51,999   | \$ 610                        |



|                 |         |
|-----------------|---------|
| 52,200 – 60,319 | \$ 790  |
| 60,320 and over | \$1,040 |

Eligibility for payment at any bracket will occur upon completion of the equivalent hours of service indicated for the bracket.

### **Section W. "P" Rate.**

Positions are eligible for P-rate if:

1. They are responsible for custody or supervision of Department of Corrections residents on a regular and recurring basis in addition to regular job duties, or;
2. If they are located at a correctional facility and handle on a regular and recurring basis, personal, financial or other matters affecting the well-being of Department of Corrections residents, or;
3. If they are assigned on a regular and recurring basis (25% or more of work time) for the care or supervision of residents of the Center for Forensic Psychiatry.
4. Employees who qualify shall be compensated at the rate of forty cents (\$0.40) per hour for all hours in pay status.

Classifications within the Department of Corrections or Center for Forensic Psychiatry that may be eligible for P-rate are as follows:

- Activity Therapy Aide 6, 7, E8, 9
- Client/Resident Affairs Representative 8, E9, 10
- Cook E6, 7
- Barber/Cosmetologist 7, E8, 9
- Dental Aide 6, 7, E8
- Food Service Leader-Prisoner E9
- Practical Nurse Licensed E9, 10
- Resident Care Aide 6, 7, E8
- Teacher Aide 6, 7, E8
- Domestic Services Aide

5. Positions are eligible for an additional ten cents (\$0.10) per hour (for a total of fifty cents (\$0.50)) if:
  - a. They meet the eligibility requirements for "P" rate as indicated in this Section; and
  - b. They are assigned to close, maximum and administrative segregation work units within the security perimeter of a Department of Corrections, Correctional Facilities Administration institution which is designated as having: a close, maximum or administrative segregation overall rating, or a close or medium rating which would contain administrative segregation units; and
  - c. They have two (2) years (4176 hours) or more of continuous service in the Bargaining Unit.
6. The following interpretation is applied in reviewing an employee's eligibility for P-rate:
  - a. Within the Department of Corrections, the position in question must be physically located within an institution under the jurisdiction of the Correctional Facilities Administration. Positions in other departments must supervise residents assigned from the Correctional Facilities Administration.
  - b. A position where the work location is within the security perimeter of a medium, close or maximum custody correctional facility, thereby placing the employee in an environment where physical confrontation will occur is eligible for P-rate.
  - c. Within a given work area only, one classified position will be recognized as supervising the residents assigned to that work area. No two classified employees will be given credit for supervising the same residents.
  - d. Regular and recurring, or regular face-to-face contact will be defined as contact with residents in person, 25% of the time, in an environment that would permit a physical act to occur.

#### **Section X. Smoking Cessation.**

The Employer shall provide, or pay the total cost for, any program which an employee attends which has the objective of ending an individual's dependence upon and/or addiction to the use of tobacco products. Employees shall be reimbursed for the full cost, not to exceed \$50.00, of such program upon presenting evidence of enrollment and attendance. However, employees shall

not be entitled to be reimbursed if such program is covered by the employee's health plan or HMO. Employees shall be entitled to such reimbursement only one time. Costs of any additional programs or costs of re-enrolling in any program shall be paid by the employee.

#### **Section Y. Pay Equity.**

Upon completion of the reduction of the current eleven (11) service groups to five (5) service groups, the Employer agrees to meet and negotiate with the Union, upon written request, to determine if any further wage adjustments are required. Such negotiations shall be timed to occur at the time required by the normal budget cycle.

#### **Section Z. Qualified Tax-Sheltered Plans.**

A qualified 457 and 401(K) tax-sheltered Plan shall be made available to employees in this Bargaining Unit, subject to applicable law and Federal regulation.

Employees in this Bargaining Unit may participate in the State of Michigan Dependent Care and Medical Spending Accounts authorized in accordance with Section 125 of the Internal Revenue Service Code.

If new tax shelter plans are negotiated in other bargaining units, the Employer agrees to negotiate with the Union regarding implementation of such tax shelters for employees in this Bargaining Unit.

#### **Section AA. Flexible Compensation Plan.**

Employees in this Bargaining Unit are eligible for a pre-tax dollar deduction of group insurance premiums from gross pay.

#### **Section BB. Vaccinations.**

Flu shots shall be provided to employees upon their request with the employee paying the cost of such shots if not covered by a third party.

Tetanus shots shall be provided to employees upon their request once every ten years. They shall be provided to employees when required as a result of a duty-incurred injury. The Employer shall pay for such shots if they are not covered by a third party.

Hepatitis B shots shall be provided to employees upon their request if the employee is working in an assignment location where there are Hepatitis B carriers. The Employer shall pay for such shots if they are not covered by a third

party. The Employer shall make a titer test available to employees during the 60-day period following completion of the series of hepatitis B shots.

#### **Section CC. Employee Retirement Savings Deduction Plans.**

The parties acknowledge that recent amendments to federal tax laws permit employers to develop Employee Retirement Savings Deduction Plans. The Employer agrees that the desirability of implementing such a plan is an appropriate subject for consideration by the Employee Benefits Committee and agrees that the details of any such plan will be submitted to and discussed by the Employee Benefits Committee prior to implementation.

#### **Section DD. Employee Education and Resource Fund.**

On October 1, 2014, \$50,000 will be added to the fund and on October 1, 2015, \$0 will be added to the fund. Money not used carries over to the next fiscal year. This fund will be administered by a labor-management committee of ten (10) persons consisting of an equal number of representatives of management and the Union. The committee shall consist of no more than one (1) employee from each of the following departments: Corrections, Education, Human Services, Community Health and Military and Veterans Affairs. All fund expenditures will be made based on criteria established by the committee and will require agreement of the parties. Actions of the committee shall not be subject to the grievance procedure set forth in Article 9.

This fund is to be used to develop mutually agreed objectives to further the goal of labor-management cooperation. No program established by the committee will replace the obligations of the Employer or the Union under the existing Agreement. The activities and programs of this committee will focus on the needs of both active and laid-off employees. Projects will be designed to address specific needs of employees.

Among the projects which may be addressed by this fund are (not in order of importance) tuition reimbursement for employees seeking a degree or certificate; assisting employees about to be laid off or already laid off in adjusting to the difficulties of being laid off; increasing communication skills and problem solving techniques in the work place.

The committee will need to establish specific goals and objectives as well as criteria for utilization of this fund.

Once the goals, objectives, and criteria have been developed, they shall be distributed to the departments and the Union locals for review, comment and approval.

### **Section EE. Uniform Cleaning Allowance.**

Each employee required to wear a uniform will be entitled to an allowance of \$125.00 per year to cover dry cleaning, laundering and tailoring expenses of the uniform. Annual payments of \$125.00 to eligible employees who have 2080 hours in pay status at the end of the last pay period of the calendar year shall be made by the end of the first full pay period in February. Eligible employees with less than 2080 hours shall receive a prorated amount in a ratio to 2080 hours to the hours in pay status as above.

### **Section FF. School and Community Participation Leave.**

1. Intent. The parties recognize the positive role parental and other adult involvement in school and community activities plays in promoting school and community success.

The parties intend by this Section to foster employee involvement in school sponsored activities and community programs.

2. Leave Credits. Permanent and limited term employees who have completed 1040 hours of satisfactory service shall annually receive eight (8) hours of paid school and community participation leave to be used in accordance with normal requirements for annual leave usage, provided, however, that such leave may be utilized in increments of one (1) hour if requested.

Employees may use the leave to participate in any school sponsored activity including but not limited to, tutoring, field trips, classroom programs, school committees, including preschool programs, assisting with athletic or music programs, theater, and school clubs and in accordance with any applicable collective bargaining agreements governing the program.

The leave may also be used for active participation in any structured secular community activity sponsored by a governmental agency, or a non-profit community organization or agency, and not for mere attendance at community events. Employees may use the leave to participate in community activities such as serving as a volunteer docent for the State of Michigan museum, coaching or umpiring in community sponsored youth athletic leagues, making deliveries for meals on wheels, serving as a volunteer with the American Red Cross, and work for Habitat for Humanity.

The use of the leave is intended for active participation in school and community programs and not for mere attendance at such activities or for personal athletic or recreational activities.

Employees shall be permitted to use annual leave and other leave credits to participate in such programs. Additionally, in accordance with this Agreement and to the extent that operational considerations permit, an employee may, with supervisory approval, adjust his/her work schedule to allow attendance or participation in school and community activities while working the regular number of work hours.

To request school and community participation leave, employees shall complete a form provided by the Employer. School and community participation leave shall be credited to employees on each October 1 and shall not carry forward beyond the fiscal year.

**Section GG. Pro-rated pay for Seasonal Employees.**

At the employee's request, school year seasonal employees may have their yearly pay prorated over 26 pay periods.